

25 August 2022

Market Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year 2022 Report and Accounts

Attached are the following documents for the half year of Eagers Automotive Ltd (ASX:APE) ended 30 June 2022:

1. Appendix 4D including Commentary
2. Directors' Report including Auditor's Declaration of Independence
3. Interim Financial Report
4. Auditor's Report

These documents are given to the ASX under listing rule 4.2A and are to be read in conjunction with our most recent annual financial report.

For more information:

Keith Thornton
Chief Executive Officer
(07) 3608 7110

Jon Snowball
Domestique Consulting
0477 946 068

Authorised for release by the Board.

Appendix 4D

Half year report

1. Company details

Name of entity

Eagers Automotive Limited

ABN or equivalent company
reference

87 009 680 013

Half year ended ('current period')

30 June 2022

Half year ended ('previous
period')

30 June 2021

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Down	10.3%	to	4,215,407
2.2	Net profit (loss) for the period	Down	7.8%	to	246,543
2.3	Net profit (loss) for the period attributable to members	Down	12.4%	to	171,081
2.4	Dividends		Amount per security		Franked amount per security
	Ordinary interim dividend		22.0 cents		22.0 cents
2.5	+Record date for determining entitlements to the dividend.	5 th September 2022			
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
Refer to the attached commentary.					

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	\$2.05	\$1.67

4.1 Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).	N/A
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

4.2 Loss of control over entities

Name of entity (or group of entities)	Bill Buckle Auto Group
Date control lost	30 June 2022
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	\$5.6 million
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	N/A

5 Dividends

Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Ordinary interim dividend: Current year	23/09/2022	22.0¢	22.0¢	Nil¢
	Special dividend: Current year	23/09/2022	0.0¢	0.0¢	Nil¢
	Ordinary interim dividend: Prior year	15/10/2021	20.0¢	20.0¢	Nil¢
	Special dividend: Prior year	15/10/2021	8.4¢	8.4¢	Nil¢

6 Dividend Reinvestment Plans

The ⁺dividend or distribution plans shown below are in operation.

The Eagers Automotive Limited Dividend Reinvestment Plan will not apply to the interim dividend.

The last date(s) for receipt of election notices for the ⁺dividend or distribution plans

N/A

7 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period \$'000	Previous corresponding period \$'000
Vehicle Parts (WA) Pty Ltd	50.0%	50.0%	182	239
Mazda Parts	16.7%	16.7%	268	326

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):

	Current period \$A'000	Previous corresponding period - \$A'000
Profit/(loss) from ordinary activities before tax	450	565
Income tax on ordinary activities	-	-
Profit/(loss) from ordinary activities after tax	450	565
Extraordinary items net of tax	-	-
Net profit/(loss)	450	565
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	450	565

Sign here: 

Date: 25 August 2022

(Director)

Print name: Tim Crommelin

25 August 2022

Market Announcements Office
ASX Limited

Appendix 4D
Half Year Report and Commentary

Half year ended 30 June 2022
(ASX listing rule 4.2A)

Eagers Automotive Delivers Strong 1H22 Result

Financial Highlights	Half Year to June 2022 \$ Million	Half Year to June 2021 \$ Million
Statutory Profit Before Tax	246.5	267.4
Underlying Operating Profit Before Tax ⁽¹⁾	195.1	218.6
Statutory Profit After Tax	178.7	202.3

- Retained a very strong financial position with record available liquidity of \$842.8 million (available cash and undrawn commitments) and net debt position of \$12.6 million at 30 June 2022 (31 December 2021: \$128.4 million).
- Statutory basic EPS of 67.3 cents per share (cps) (1H21: 77.1 cps) and Underlying⁽¹⁾ basic EPS of 49.1 cps (1H21: 59.6 cps).
- Record ordinary interim fully franked dividend of 22.0 cps has been approved for payment for 1H22, a 10% increase on 1H21 (20.0 cps) underscoring the Board's confidence in the strength of the Eagers Automotive business and future strategy.
- On-market share buy-back of up to 10% of issued share capital. The buy-back reflects the Board's focus on active capital management and is testament to the Company's strong balance sheet and record available liquidity.

Operational & Strategic Highlights

- Strong demand for new and used vehicles in 1H22, with demand in the new vehicle market continuing to materially outstrip new vehicle deliveries due to ongoing supply chain and logistics disruption.
- Continued growth in new car order bank throughout 1H22 reflected in a total growth in like-for-like order bank of 32%, providing a strong foundation for 2H22 and into 2023 with profit recognised as orders are delivered to customers.
- Disciplined investment in scaling the Company's independent pre-owned business easyauto123 to drive revenue and volume growth through our roll out strategy across Australia and New Zealand and driving organic growth at established locations.
- Strong performance from the Company's parts and service businesses, despite COVID-related supply chain and logistics disruption and labour shortages, highlighting the robust nature of the Company's economic model.
- Increased finance penetration performance relative to industry benchmarks for both new and used vehicles.
- Disciplined management of the Company's re-set cost base and strong focus on driving productivity improvements underwriting the path towards a step change in sustainable return on sales margin.
- Continued development and roll out of the Company's technology platform designed to provide an enhanced customer experience, with increased productivity, efficiency and the capability to drive sustainable growth.
- Active portfolio management with shareholder approval granted for the accretive acquisition of multi-franchised dealership group and associated property in the ACT, and the sale of the Bill Buckle Auto Group.
- Continued execution of the Company's property strategy through the delivery of new automotive retail formats, such as AutoMall West located at Indooroopilly Shopping Centre in west Brisbane, which opened in April 2022.
- Leveraging the Company's unique scale, geographic diversity and expertise to expand network representation with existing partners in new regions, new entrants to the Australian market and new energy manufacturers (hybrid, electric, hydrogen).

Eagers Automotive Limited (ASX: APE) ("Eagers Automotive" or "the Company"), Australia's leading automotive retail group, today announced its results for the six months ended 30 June 2022 (1H22). The Company delivered Underlying Operating Profit Before Tax⁽¹⁾ of \$195.1 million, compared to \$218.6 million in the prior corresponding period (pcp).

(1) Underlying operating results refers to continuing operations, adjusted for significant items outlined and reconciled to statutory results on slides 31 (1H22) and 32 (comparative financial information) of the Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to review by the Company's external auditors.

Key Financial Highlights

Half Year to June	Half Year to June 2022 \$ Million	Half Year to June 2021 \$ Million
Statutory Results		
Revenue	4,215.4	4,699.2
EBITDAI ⁽²⁾⁽³⁾	336.2	373.4
Statutory Profit Before Tax	246.5	267.4
Statutory Profit After Tax	178.7	202.3
Ordinary Interim Dividend per Share (cents)	22.0	20.0
Special Interim Dividend per Share (cents)	-	8.4
Underlying Operating Results⁽¹⁾		
Underlying Revenue ⁽¹⁾	4,215.4	4,699.2
Underlying EBITDAI ⁽²⁾⁽³⁾	220.2	248.2
Underlying Profit Before Tax ⁽¹⁾	195.1	218.6
Underlying Profit After Tax ⁽¹⁾	128.0	158.1

Dividend

The Board has approved payment of a record ordinary interim dividend of 22.0 cps fully franked for 1H22, up 10% on 1H21 (20.0 cps). The ordinary dividend has been approved for payment on 23 September 2022 to shareholders who are registered on 5 September 2022 (Record Date).

The record dividend underscores the Board's confidence in the strength of the Eagers Automotive business and future strategy while allowing capacity and flexibility to invest in restructuring and growth initiatives.

The Company's dividend reinvestment plan (DRP) will not operate in relation to the ordinary dividend.

(2) EBITDAI means earnings before interest, tax, depreciation, amortisation and impairment.

(3) Interest income associated with the impact of AASB16 *Leases* has been deducted in the comparative EBITDAI calculation, aligning with current year presentation.

Financial Performance

On a statutory basis, the Company recorded a Statutory Net Profit Before Tax of \$246.5 million for 1H22 compared to a Statutory Net Profit Before Tax of \$267.4 million in the pcp. The 1H22 statutory result included significant items totalling \$51.4 million net income before tax, predominately relating to the gain on sale of Bill Buckle Auto Group totalling \$47.7 million. Statutory Net Profit After Tax for 1H22 was \$178.7 million, compared to a profit of \$202.3 million in 1H21.

Statutory and Underlying⁽¹⁾ revenue declined by 10.3% to \$4,215.4 million, with 1H22 revenue impacted by a combination of the Daimler Trucks divestment in 2021 along with

continued supply constraints on new vehicle deliveries and COVID-related disruption to logistics and labour. On a like-for-like basis Statutory and Underlying⁽¹⁾ revenue decreased by 5.9% to \$4,167.2 million.

Underlying⁽¹⁾ Operating NPBT⁽⁴⁾/Sales ratio decreased marginally to 4.6% in 1H22 (1H21: 4.7%). Financial performance remains materially above industry levels, and the Company continues to benefit from ongoing productivity and cost-out programs. Despite a reduction in turnover principally linked to ongoing supply constraints and COVID-related disruption to logistics and labour, the underlying performance of the business remains strong, benefiting from a buoyant market where demand for new vehicles continues to materially exceed supply, resulting in an increase in the Company's record order bank of more than 32%⁽⁵⁾ on a like-for-like basis since December 2021.

(4) NPBT means Net Profit Before Tax.

(5) Like-for-like order bank excludes Bill Buckle Auto Group and the BYD retail joint venture.

Segments

The Car Retailing segment delivered an Underlying⁽¹⁾ Operating Profit Before Tax of \$192.5 million, compared to \$211.6 million in 1H21. The 1H22 profit result reflects material headwinds to new vehicle supply, resulting in long lead times between order and delivery being experienced by some of the largest brands represented in Australia and as evidenced by the record new car order bank.

The Car Retailing segment recorded a Statutory Profit Before Tax of \$226.9 million compared to a profit of \$220.3 million in 1H21.

The Company continued to focus on the growth of its national, independent pre-owned business, headlined by easyauto123 and supported by its national auction business Carlins. The easyauto123 business delivered volume and revenue growth due to a combination of the roll out of new sites across Australia and New Zealand along with investment in organic growth within the established locations.

Car Retailing Statutory and Underlying⁽¹⁾ revenue decreased by 5.8% to \$4,214.9 million (1H21: \$4,474.7 million).

The dedicated Truck segment ceased as a result of the sale of the Daimler Trucks business on 30 April 2021. The segment contributed an Underlying⁽¹⁾ Operating Profit Before Tax of \$4.6 million in 1H21 and a Statutory Profit Before Tax of \$39.8 million; impacted by the gain on sale of the Daimler Trucks business.

The value of the property portfolio decreased marginally to \$444.2 million as at 30 June 2022, compared with \$448.3 million at 31 December 2021 (excluding assets held for sale). This reduction reflects the divestment of properties associated with Bill Buckle Auto Group, partially offset by two property purchases associated with business acquisitions completed in 2021, but does not recognise properties contracted for sale and due to settle in 2H22.

The Property segment recorded an Underlying⁽¹⁾ Operating Profit Before Tax of \$5.1 million (excluding impairment and gains on sale) for 1H22, up from \$2.3 million on the pcp. This increase in underlying profit was driven by income associated with recent property purchases, offset by the interest costs associated with debt drawn, all at fixed interest rates.

The Property segment recorded a Statutory Profit Before Tax of \$22.2 million for 1H22 compared to \$7.2 million in the pcp. The movement was driven by gains on sale of property associated with Bill Buckle Auto Group and a non-core parcel of land in Queensland.

Financial Position

Eagers Automotive is in a very strong financial position underpinned by a substantial property portfolio and asset base, together with \$842.8 million of available liquidity at 30 June 2022, a record level. This liquidity position includes available cash and undrawn commitments under corporate debt facilities.

Corporate debt (Term and Capital loan facilities) net of cash on hand decreased to \$12.6 million as at 30 June 2022, down from \$128.4 million at 31 December 2021, and the Company's leverage metrics are in a strong position, with the gearing ratio at 0.02 times as at 30 June 2022 (1H21: 0.06 times).

Total inventory levels decreased to \$873.7 million as at 30 June 2022, down from \$874.0 million at 31 December 2021. Inventory levels continue to be impacted by global supply chain dynamics. Eagers Automotive continues to maintain a significant equity ownership in used vehicle inventory.

The Company continues to focus on cash management, generating a record cash position of \$326.3 million as at 30 June 2022 driven by operating cash flows of \$232.6 million, supplemented by proceeds from the sale of the Bill Buckle Auto Group and associated property.

The Company announced the intention to conduct an on-market share buy-back of up to 10% of issued share capital. The buy-back reflects the Board's focus on active capital management and is testament to the Company's strong balance sheet and record available liquidity.

Outlook

The Company expects the current dynamic of demand outstripping supply to continue in 2H22.

The 32% like-for-like growth in the order bank at the end of 1H22 has further increased to August 2022, providing a strong foundation for 2H22 and into 2023. Despite these positive dynamics, the timing of an easing in COVID-related new vehicle supply chain

challenges remains uncertain and the Company will maintain its disciplined approach, conscious of the changing macro-economic conditions.

Eagers Automotive will focus on delivering the following key initiatives to drive sustainable growth in earnings:

- Increased productivity from property and people to capitalise on current market conditions;
- Continued investment in scaling its independent pre-owned business, easyauto123, including the roll out of omni-channel offerings to support an expanded physical footprint;
- Integration of the ACT and South Australian acquisitions (to be completed in the second half of 2022); and
- Continuing disciplined review of accretive and strategic acquisition opportunities consistent with its Next100 Strategy as well as executing greenfield opportunities via existing partnerships and new market entrants.

The Company is uniquely positioned to withstand changes in the economic or industry environment, using the multiple margin, cost and growth levers available within the business.



Tim Crommelin
Director

25 August 2022

For more information:

Keith Thornton
Chief Executive Officer
(07) 3608 7110

Jon Snowball
Domestique Consulting
0477 946 068

www.eagersautomotive.com.au

Eagers Automotive First Half 2022 Analyst and Investor Call – 9:15am AEST Thursday 25 August 2022

Participants can register to receive dial-in details for the call using the following link:

<https://register.vevent.com/register/Blc75270b274654870bd92ec97bc9fb2c2>

Participants may also wish to join a webcast of the results briefing using this link:

<https://edge.media-server.com/mmc/p/rc2vnss5>

Note: All national sales figures are based on Federal Chamber of Automotive Industry statistics sourced through VFACTS.

EAGERS AUTOMOTIVE LIMITED ACN 009 680 013
DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Eagers Automotive Limited ("the Company") and the entities it controlled at the end of, or during, the half year ended 30 June 2022.

Directors

T B Crommelin, N G Politis, D T Ryan, M J Birrell, S A Moore, G J Duncan, D S Blackhall and M V Prater were Directors of the Company during the whole of the half year and they continue in office at the date of this report. D A Cowper was a Director during the half year until his resignation on 18 May 2022.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of \$178.7 million for the half year ended 30 June 2022 (2021HY: \$202.3 million). Further review of the consolidated entity's operations during the half year and the results of those operations are included in pages 1 to 6 of the commentary at the front of this report.

Dividends

The Board has determined to pay a fully franked interim ordinary dividend of 22.0 cents per share (2021: 20.0 cents per share) on 23 September 2022 to shareholders registered on 5 September 2022 (Record Date).

The Company's dividend reinvestment plan (DRP) will not operate in relation to the interim dividend.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration under section 307C of the Corporations Act 2001 is **attached**.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



Tim Crommelin
Chairman

Brisbane
25 August 2022

25 August 2022

The Board of Directors
Eagers Automotive Limited
56 Edmondstone Road,
Bowen Hills Qld 4006

Dear Board Members

Auditor's Independence Declaration to Eagers Automotive Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eagers Automotive Limited.

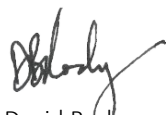
As lead audit partner for the review of the interim financial report of Eagers Automotive Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Rodgers
Partner
Chartered Accountants

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Eagers Automotive Limited

ABN 87 009 680 013

**Interim Financial Report
30 June 2022**

Eagers Automotive Limited

ABN 87 009 680 013

Interim Financial Report - 30 June 2022

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Eagers Automotive Limited
Condensed Consolidated Statement of Profit or Loss
For the half year ended 30 June 2022

		Half year ended	
		30 June	30 June
		2022	2021
	Notes	\$'000	\$'000
Revenue	5	4,215,407	4,699,201
Finance income		5,676	4,652
Other gains	6	54,240	52,968
Raw materials and consumables used		(3,421,368)	(3,840,656)
Employee benefits expense		(334,009)	(352,277)
Finance costs		(38,879)	(40,846)
Depreciation and amortisation expense		(54,746)	(64,584)
Other expenses		(178,501)	(186,444)
Impairment of non-current assets	8	(1,727)	(5,156)
Share of net profits of associates accounted for using the equity method	12	450	565
Profit before income tax		246,543	267,423
Income tax expense	7	(67,844)	(65,130)
Profit for the period		178,699	202,293
Attributable to:			
Owners of Eagers Automotive Limited		171,081	195,261
Non-controlling interests		7,618	7,032
		178,699	202,293
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share		67.3	77.1
Diluted earnings per share		67.1	76.7

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Other Comprehensive Income
For the half year ended 30 June 2022

	Half year ended	
	30 June	30 June
	2022	2021
	\$'000	\$'000
Profit for the period	178,699	202,293
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>(3,310)</u>	<u>(15)</u>
Total other comprehensive income for the period, net of tax	<u>(3,310)</u>	<u>(15)</u>
Total comprehensive income for the period	<u>175,389</u>	<u>202,278</u>
Total comprehensive income is attributable to:		
Owners of Eagers Automotive Limited	167,771	195,246
Non-controlling interests	<u>7,618</u>	<u>7,032</u>
	<u>175,389</u>	<u>202,278</u>

The above Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Financial Position
As at 30 June 2022

		Consolidated	
		30 June	31 December
		2022	2021
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents		326,303	197,620
Trade and other receivables		262,434	228,960
Inventories		873,671	874,049
Current tax receivables		2,028	574
Prepayments and deposits		25,256	18,787
Finance lease receivable		34,523	34,715
Assets classified as held for sale		-	18,670
Total current assets		1,524,215	1,373,375
Non-current assets			
Other loans receivable		26,625	23,910
Other non-current receivables		14,739	11,801
Financial assets at fair value through other comprehensive income		175	577
Investments in associates	12	2,098	2,074
Property, plant and equipment		518,056	514,374
Deferred tax assets		137,117	152,000
Intangible assets	8	774,714	775,295
Other non-current assets		9,998	10,508
Right-of-use assets		591,610	631,099
Finance lease receivable		224,500	235,932
Total non-current assets		2,299,632	2,357,570
Total assets		3,823,847	3,730,945
Current liabilities			
Trade and other payables		408,287	364,263
Borrowings - bailment and other current loans		802,786	696,292
Deferred revenue		12,889	13,442
Provisions		99,487	101,770
Lease liabilities		164,814	167,179
Total current liabilities		1,488,263	1,342,946
Non-current liabilities			
Borrowings		253,933	311,062
Deferred revenue		15,836	16,462
Provisions		14,173	14,058
Lease liabilities		900,829	958,966
Total non-current liabilities		1,184,771	1,300,548
Total liabilities		2,673,034	2,643,494
Net assets		1,150,813	1,087,451
Equity			
Contributed equity		1,173,069	1,173,069
Reserves		(623,171)	(617,978)
Retained earnings		575,198	510,725
Equity attributable to equity owners of Eagers Automotive Limited		1,125,096	1,065,816
Non-controlling interests		25,717	21,635
Total equity		1,150,813	1,087,451

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Changes in Equity
For the half year ended 30 June 2022

	Notes	Issued capital \$'000	Asset revaluation reserve \$'000	Share-based payments reserve \$'000	Investment revaluation reserve \$'000	Business combination reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Attributable to equity holders of the parent \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 January 2022		1,173,069	24,078	(91,541)	(72,686)	(479,042)	1,213	510,725	1,065,816	21,635	1,087,451
Profit for the period		-	-	-	-	-	-	171,081	171,081	7,618	178,699
Other comprehensive income		-	-	-	-	-	(3,310)	-	(3,310)	-	(3,310)
Total comprehensive income for the period		-	-	-	-	-	(3,310)	171,081	167,771	7,618	175,389
Share-based payments expense		-	-	1,211	-	-	-	-	1,211	-	1,211
Shares acquired by employee share trust		-	-	(681)	-	-	-	-	(681)	-	(681)
Shares issued pursuant to staff share plan		-	-	829	-	-	-	-	829	-	829
Dividends provided for or paid	3	-	-	-	-	-	-	(109,196)	(109,196)	(8,078)	(117,274)
Income tax on items taken to or transferred directly from equity		-	-	(654)	-	-	-	-	(654)	-	(654)
Transfer to retained earnings		-	(2,588)	-	-	-	-	2,588	-	-	-
Cessation of non-controlling interests		-	-	-	-	-	-	-	-	(1,302)	(1,302)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	-	5,844	5,844
		-	(2,588)	705	-	-	-	(106,608)	(108,491)	(3,536)	(112,027)
Balance at 30 June 2022		1,173,069	21,490	(90,836)	(72,686)	(479,042)	(2,097)	575,198	1,125,096	25,717	1,150,813

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Changes in Equity
For the half year ended 30 June 2022
(continued)

		Issued capital	Asset revaluation reserve	Share-based payments reserve	Investment revaluation reserve	Business combination reserve	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021		1,173,069	32,834	(62,510)	(72,686)	(479,042)	1,204	317,848	910,717	13,860	924,577
Profit for the period		-	-	-	-	-	-	195,261	195,261	7,032	202,293
Other comprehensive income		-	-	-	-	-	(15)	-	(15)	-	(15)
Total comprehensive income for the period		-	-	-	-	-	(15)	195,261	195,246	7,032	202,278
Share-based payments expense		-	-	1,602	-	-	-	-	1,602	-	1,602
Shares acquired by employee share trust		-	-	(48,569)	-	-	-	-	(48,569)	-	(48,569)
Shares issued pursuant to staff share plan		-	-	16,732	-	-	-	-	16,732	-	16,732
Dividends provided for or paid	3	-	-	-	-	-	-	(64,233)	(64,233)	(1,078)	(65,311)
Income tax on items taken to or transferred directly from equity		-	-	(253)	-	-	-	-	(253)	-	(253)
Transfer to retained earnings		-	(6,976)	-	-	-	-	6,976	-	-	-
		-	(6,976)	(30,488)	-	-	-	(57,257)	(94,721)	(1,078)	(95,799)
Balance at 30 June 2021		1,173,069	25,858	(92,998)	(72,686)	(479,042)	1,189	455,852	1,011,242	19,814	1,031,056

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Cash Flows
For the half year ended 30 June 2022

	Half year ended	
	30 June	30 June
	2022	2021
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers - inclusive of GST	4,600,164	5,125,923
Payments to suppliers and employees - inclusive of GST	(4,286,494)	(4,823,555)
Receipts from insurance claims	3,500	906
Interest and other costs of finance paid	(38,879)	(40,846)
Income taxes paid	(52,315)	(64,676)
Dividends received	426	1,447
Interest received	6,168	5,019
Net cash provided by operating activities	232,570	204,218
Cash flows from investing activities		
Payments for acquisition of businesses - net of cash acquired	-	(723)
Payments for property, plant and equipment	(33,914)	(36,562)
Proceeds from sale of businesses - net of cash disposed	44,282	104,807
Proceeds from sale of property, plant and equipment	67,561	67,347
Payments for intangible assets	(11,019)	-
Receipts from subleases	11,623	9,723
Net cash provided by investing activities	78,533	144,592
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	829	16,732
Payments for shares acquired by the Trust	(681)	(48,569)
Repayment of borrowings	(8,256)	(101,575)
Transactions with non-controlling interests	(305)	250
Dividends paid to members of Eagers Automotive Limited	(109,196)	(64,233)
Dividends paid to minority shareholders of a subsidiary	(5,040)	(4,145)
Repayment of lease liabilities	(59,771)	(61,627)
Net cash used in financing activities	(182,420)	(263,167)
Net increase in cash and cash equivalents	128,683	85,643
Cash and cash equivalents at the beginning of the financial year	197,620	209,092
Cash and cash equivalents at the end of the period	326,303	294,735

*Certain comparatives in the prior reporting period have been reclassified to align with the current year presentation.
The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

1 Significant accounting policies

(a) Statement of compliance

The condensed consolidated half year report ("half year report") is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* ("AASB 134"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Eagers Automotive Limited ("the Company", "the Group") during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Basis of preparation

The half year report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is an entity of the kind referred to in Australian Securities and Investments Commission ("ASIC") Corporations Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' report and the half year report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 31 December 2021. The accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

(c) New and amended Accounting Standards that are effective for the current period

The Group has considered all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current half year. There are no new and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are not relevant to the Group are:

- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2*; and
- AASB 2021-3 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021*.

New and revised Standards and amendments thereof and Interpretations not yet effective for the current year that are relevant to the Group but do not have a significant impact are:

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*;
- AASB 2015-10 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128*;
- AASB 2017-5 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*; and
- AASB 2021-7 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

New and revised Standards and amendments thereof and Interpretations not yet effective for the current year that are not relevant to the Group are:

- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities*;
- AASB 2020-7 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions: Tier 2 Disclosures*; and
- AASB 2020-9 *Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

1 Significant accounting policies (continued)

(d) Going concern

The half year report has been prepared on the basis that the Group is a going concern, able to realise assets in the ordinary course of business and settle liabilities as and when they fall due.

The Group has maintained a robust balance sheet with net current assets of \$36 million at the balance sheet date. This includes a substantial asset base and property portfolio valued at \$444 million (including construction in progress) at June 2022 and total available liquidity of \$843 million (cash in bank of \$326 million and undrawn facilities of \$517 million). Corporate debt net of cash is \$13 million at 30 June 2022.

The Group has generated positive net cash flows from operating activities of \$233 million and profit from operations of \$179 million for the half year ended 30 June 2022.

Based on the strength of the Group's balance sheet and its cash flow modelling, the Directors are of the view that the Group will be able to settle all obligations as they fall due for a period of 12 months following this report. The Directors are therefore of the opinion that the preparation of the financial statements as a going concern is appropriate.

2 Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 June 2022:

(a) Sale of Bill Buckle Auto Group business and associated property

The sale of Bill Buckle Auto Group and three associated freehold properties to the Australian Motor Group was completed on 30 June 2022. This sale delivered cash proceeds of approximately \$88 million and a profit before tax of \$48 million. The final balancing payment was made post 30 June 2022.

(b) Freehold property movements

During the period, in addition to the three freehold properties divested of in conjunction with the Bill Buckle Auto Group transaction detailed above, the Group divested a vacant property that was classified as held for sale at 31 December 2021.

Further to this, associated with a business acquisition in 2021, the Group completed the purchase of two properties with an associated fair value of \$21 million during the period.

(c) Related party transactions

Subsequent to 30 June 2022, the Group has entered into an agreement to purchase a dealership group in the Australian Capital Territory and associated property from a related party. Refer to note 14 for further details on this transaction.

3 Dividends

	Half year ended	
	30 June	30 June
	2022	2021
	\$'000	\$'000
Ordinary shares		
Dividends paid during the half year	109,196	64,233
Dividends not recognised at the end of the half year		
Since the end of the half year, the Directors have determined the payment of an ordinary interim dividend of 22.0 cents (2021: 28.4 cents - ordinary dividend of 20.0 cents and a special dividend of 8.4 cents) per fully paid ordinary share, fully franked based on tax paid at 30%.		
As at Thursday 25 August 2022, the aggregate amount of the interim dividend expected to be paid on 23 September 2022 out of retained profits at the end of the half year, but not recognised as a liability, including all shares yet to be issued, is:	56,525	72,969

4 Segment information

Segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the board of Directors, in order to allocate resources to the segment and to assess its performance.

The Group has historically operated in three operating and reporting segments being (i) Car Retailing, (ii) Truck Retailing and (iii) Property. These are identified on the basis of being the components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

As a result of the divestment of the Daimler Trucks business in the comparative period, the Group changed the structure of its internal organisation. This resulted in a change in the composition of its reportable segments in the prior period, resulting in the Group now operating in two segments. The Truck Retailing reporting segment for the comparative period represents only Daimler Truck dealerships for the six months ended 30 June 2021. All remaining non-Daimler Truck dealerships are reported in the Car Retailing segment.

Information regarding the Group's reporting segments is presented below:

(i) Car Retailing

Within the Car Retailing segment, the Group offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, service contracts, vehicle brokerage, vehicle protection products and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers. Following the divestment of Daimler Trucks in the comparative period, the Group adjusted the composition of its reportable segments, resulting in all remaining non-Daimler Truck dealerships' profit being reallocated to the Car Retailing segment for both the comparative and current period.

(ii) Truck Retailing

For the comparative period, this segment includes only Daimler Truck dealerships which were divested in the prior period, as detailed above. Within the Truck Retailing segment, the Group offered a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, service contracts, truck protection products and other aftermarket products. They also facilitated financing for truck purchases through third-party sources. New trucks, truck parts and maintenance services were predominantly supplied in accordance with franchise agreements with manufacturers.

(iii) Property

Within the Property segment, the Group acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges both the Car Retailing segment, and the formerly known Truck Retailing segment, commercial rent for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the Directors supported by periodic, but at least triennial, valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker as profit adjustments in assessing the overall returns generated by this segment to the Group.

4 Segment information (continued)

6 months ended 30 June 2022

	Car Retailing \$'000	Truck Retailing \$'000	Property \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	4,214,887	-	520	-	4,215,407
Inter-segment sales	-	-	15,953	(15,953)	-
TOTAL REVENUE	4,214,887	-	16,473	(15,953)	4,215,407
SEGMENT RESULT					
Operating profit before interest	229,052	-	10,363	-	239,415
External interest expense allocation	(33,607)	-	(5,273)	-	(38,880)
OPERATING CONTRIBUTION	195,445	-	5,090	-	200,535
Business acquisition and divestment costs	(2,187)	-	-	-	(2,187)
Profit on sale of property/businesses	36,894	-	17,129	-	54,023
Other expenses	(1,574)	-	-	-	(1,574)
Impairment of non-current assets	(1,727)	-	-	-	(1,727)
SEGMENT PROFIT	226,851	-	22,219	-	249,070
Unallocated corporate expenses					(2,527)
PROFIT BEFORE TAX					246,543
Income tax expense					(67,844)
NET PROFIT					178,699
Depreciation and amortisation	50,871	-	3,875	-	54,746
ASSETS					
Segment assets	3,385,900	-	437,947	-	3,823,847
LIABILITIES					
Segment liabilities	2,334,134	-	338,900	-	2,673,034
NET ASSETS	1,051,766	-	99,047	-	1,150,813

4 Segment information (continued)

6 months ended 30 June 2021

	Car Retailing \$'000	Truck Retailing \$'000	Property \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	4,474,689	223,826	686	-	4,699,201
Inter-segment sales	-	-	11,188	(11,188)	-
TOTAL REVENUE	4,474,689	223,826	11,874	(11,188)	4,699,201
SEGMENT RESULT					
Operating profit before interest	247,443	6,333	6,617	-	260,393
External interest expense allocation	(34,250)	(2,314)	(4,282)	-	(40,846)
OPERATING CONTRIBUTION	213,193	4,019	2,335	-	219,547
Dividends received	1,078	-	-	-	1,078
Business acquisition and divestment costs	(74)	(307)	-	-	(381)
Property revaluations	-	-	(5,156)	-	(5,156)
Profit on sale of property/businesses	5,791	36,050	10,043	-	51,884
Brand restructure compensation	323	-	-	-	323
SEGMENT PROFIT	220,311	39,762	7,222	-	267,295
Unallocated corporate expenses					128
PROFIT BEFORE TAX					267,423
Income tax expense					(65,130)
NET PROFIT					202,293
Depreciation and amortisation	53,827	7,819	2,938	-	64,584
ASSETS					
Segment assets	3,522,011	-	402,372	-	3,924,383
LIABILITIES					
Segment liabilities	2,609,129	-	284,198	-	2,893,327
NET ASSETS	912,882	-	118,174	-	1,031,056

Geographic information

The Group operates in two principal geographic locations, being Australia and New Zealand.

5 Revenue

Revenue from contracts with customers

Half year ended 30 June 2022			
	Retailing \$'000	Property \$'000	Total \$'000
Type of goods or service			
New vehicles	2,612,977	-	2,612,977
Used vehicles	905,456	-	905,456
Parts	430,838	-	430,838
Service	242,904	-	242,904
Other	22,712	520	23,232
Total revenue from external customers	4,214,887	520	4,215,407
Timing of revenue recognition			
At a point in time	3,971,983	520	3,972,503
Over time	242,904	-	242,904
Total revenue from external customers	4,214,887	520	4,215,407
Geographical markets			
Australia	3,981,832	520	3,982,352
New Zealand	233,055	-	233,055
Total revenue from external customers	4,214,887	520	4,215,407
Half year ended 30 June 2021			
	Retailing \$'000	Property \$'000	Total \$'000
Type of goods or service			
New vehicles	2,892,646	-	2,892,646
Used vehicles	998,971	-	998,971
Parts	501,161	-	501,161
Service	278,134	-	278,134
Other	27,603	686	28,289
Total revenue from external customers	4,698,515	686	4,699,201
Timing of revenue recognition			
At a point in time	4,420,381	686	4,421,067
Over time	278,134	-	278,134
Total revenue from external customers	4,698,515	686	4,699,201
Geographical markets			
Australia	4,441,230	686	4,441,916
New Zealand	257,285	-	257,285
Total revenue from external customers	4,698,515	686	4,699,201

6 Other gains

		Half year ended	
		30 June	30 June
		2022	2021
	Notes	\$'000	\$'000
Gain on disposal of non-financial assets		3,653	6,359
Gain on disposal of properties	11	17,129	10,044
Gain on disposal of businesses	11	33,458	31,086
Brand restructure compensation		-	323
Gain on reversal of prior impairment		-	5,156
		54,240	52,968

7 Income tax expense

(a) Income tax expense

Current income tax expense	55,168	67,207
Deferred income tax expense/(benefit)	12,676	(2,077)
Total income tax expense	67,844	65,130

Deferred income tax expense/(benefit) included in income tax expense comprises:
In respect of the current year

12,676	(2,077)
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(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	246,543	267,423
Tax at the Australian tax rate of 30% (2021 - 30%)	73,963	80,227
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible capital expenditure	695	114
Non-taxable dividends	-	(2,472)
Non-allowable expenses	528	286
Property impairment	-	1,547
Accounting gain on asset sales offset by capital losses	(10,037)	(9,326)
Application of capital losses against current year capital gains	(5,817)	(3,963)
Adjustment to tax expense to reflect full year expected Effective Tax Rate	4,501	-
Sundry items	4,011	(1,283)
Income tax expense	67,844	65,130

8 Non-current assets including intangible assets

Intangible assets

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGU"), or groups of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or group of units to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes.

The Group has six groups of CGUs in the Car Retailing segment, grouped by the operating regions (QLD & NT, NSW, VIC & TAS, SA, WA, NZ) and a National Used CGU, with the lowest level for which there are independent cash flows determined to be on an operating region or State basis.

The value of intangible assets assessed for impairment is as follows:

Half year ended 30 June 2022	
Intangible assets	Total \$'000
Goodwill	753,113
Franchise rights	11,019
Trademarks/brand names	5,915
Customer relationships	4,667
Total intangible assets	<u>774,714</u>

Management have considered all available sources of information (both external and internal) and concluded that there are no indicators of impairment on any CGU that would require management to estimate the recoverable amount of the CGUs at 30 June 2022. Whilst supply chain dynamics persist, the Group's fundamentals reflect the strength of our ongoing business, with continued growth of our record new car order bank and realised benefits from our ongoing productivity and cost-out programs.

Other non-current assets

At 30 June 2022, and in line with the review of intangible assets as described above, management have reviewed the fair value of specific leased properties. In this respect, an impairment of \$1.7 million has been recognised to represent the fair value of these assets.

9 Equity securities movements

	30-Jun-22	Half year ended	30-Jun-22	30-Jun-21
	No. of Shares	30-Jun-21	\$'000	\$'000
	No. of Shares			
Movements in ordinary shares during the half year	-	-	-	-

Included in the share capital is 2,559,882 ordinary shares held by the Employee Share Trust.

10 Fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

The fair value and net fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions, and traded on active liquid markets, are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes); and
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows, estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

Explanation of asset classes:

- Car - HBU Alternate Use refers to properties currently operated as car dealerships but which have a higher and best use ("HBU") greater than that of a car dealership;
- Car Dealership refers to properties operating as a car dealership with a HBU consistent with that use;
- Truck Dealership refers to properties being operated as a truck dealership with a HBU consistent with that use; and
- Other Logistics are industrial properties used for parts warehousing and vehicle logistics.

10 Fair value (continued)

Unobservable inputs used in determination of fair values										
Class of financial assets & liabilities	Carrying amount 30/06/22 \$'000	Carrying amount 31/12/21 \$'000	Valuation technique	Key input	Input	Average / range 2022	Average / range 2021	Other key information	Range (weighted avg) 2022	Range (weighted avg) 2021
Level 3 Car – HBU Alternate Use	40,343	40,541	Direct comparison	External valuations	Price/sqm land	Average \$2,679/sqm	Average \$2,692/sqm	Land size	Average 4,067 sqm	Average 4,067 sqm
						Range \$1,481 - \$3,983/sqm	Range \$1,489 - \$4,002/sqm		Range 2,015 - 4,931 sqm	Range 2,015 - 4,931 sqm
Level 3 Car Dealership	369,238	380,956	Summation method, income capitalisation and direct comparison	External valuations and industry benchmarks	Capitalisation rate	Average 4.7%	Average 6.1%	Net rent /sqm land	Average \$80/sqm	Average \$116/sqm
						Range 0.0% - 9.0%	Range 0.0% - 9.0%		Range \$0 - \$270/sqm	Range \$0 - \$300/sqm
								Net rent /sqm GBA	Average \$230/sqm Range \$0 - \$982/sqm	Average \$295/sqm Range \$0 - \$980/sqm
Level 3 Truck Dealership	9,851	9,888	Direct comparison	External valuations	Price/sqm land Price/sqm GBA	Average \$428/sqm	Average \$430/sqm	Land size	Average 23,006 sqm	Average 23,006 sqm
						Range \$428 - \$428/sqm	Range \$430 - \$430/sqm		Range 23,006 - 23,006 sqm	Range 23,006 - 23,006 sqm
								Net rent/sqm land	Average \$20/sqm	Average \$20/sqm
								Capitalisation rate	Range \$20 - \$20/sqm Average 4.7%	Range \$0 - \$20/sqm Average 4.7%
						Range 4.7% - 4.7%			Range 4.7% - 4.7%	Range 4.7% - 4.7%
Level 3 Other Logistics	1,066	1,067	Income capitalisation method supported by market comparison	External valuations	Capitalisation rate	Average 8.0%	Average 8.0%	Net rent /sqm GBA	Average \$71/sqm	Average \$71/sqm
						Range 8.0% - 8.0%	Range 8.0% - 8.0%		Range \$71 - \$71/sqm	Range \$71 - \$71/sqm
Total	420,498	432,452								

There were no transfers between levels in the period. Note that the above table excludes construction in progress.

10 Fair value (continued)

Details of the Group's assets held at fair value through other comprehensive income and information about the fair value hierarchy as at 30 June 2022 are as follows:

Unobservable inputs used in determination of fair values				
Class of financial assets and liabilities	Carrying amount 30/06/22 \$'000	Carrying amount 31/12/21 \$'000	Valuation technique	Key input
Level 3 financial assets at fair value through other comprehensive income - unlisted entities	175	577	Net asset assessment and available bid prices from equity participants	Pre-tax operating margin taking into account management's experience and knowledge of market conditions and financial position. Market information based on available bid prices

There were no transfers between levels in the period.

11 Disposals of business

(a) Description

The Group sold the following business during the first half of 2022 as detailed below:

Year	Name of business	Date of sale	Principal activity	Proportion disposed
2022	Bill Buckle Auto Group	30 June 2022	Automotive business	100%

(b) Details of the disposal

**30 June
2022
\$'000**

Receivables and prepayments	7,865
Inventory	15,369
Property, plant and equipment	1,294
Intangible assets	11,033
Creditors, borrowings and provisions	(22,040)
Deferred tax asset	578
Net assets disposed	14,099
 Cash consideration	 44,282
Contingent consideration	3,275
Total sale consideration	47,557
 Gain on sale	 33,458

The Directors have considered this disposal during the six month period to June 2022 in the context of AASB 5 *Non-current Assets Held For Sale and Discontinued Operations* ("AASB 5"), and they have determined that the disclosure requirements of discontinued operations do not apply. This judgement has been made based on all of the available facts and circumstances surrounding the sale and the impact of the related segments and remaining businesses.

12 Investments in associates

Investments accounted for using the equity method	Ownership interest		Consolidated	
	30-Jun-22 %	31-Dec-21 %	30-Jun-22 \$'000	31-Dec-21 \$'000
Investments in associates				
Shares in associate - Vehicle Parts (WA) Pty Ltd	50.00	50.00	1,637	1,555
Shares in associate - Mazda Parts	16.67	16.67	461	519
Total investments accounted for using the equity method			2,098	2,074

Vehicle Parts (WA) Pty Ltd

Vehicle Parts (WA) Pty Ltd provides warehousing and distribution of automotive parts and accessories for Subaru in Western Australia.

Mazda Parts

Mazda Parts provides distribution of automotive parts and accessories for Mazda in Western Australia.

Detailed in the table below is the share of associates' net profit recognised in the financial period ending 30 June 2022:

	Half year ended	
	30-Jun-22 \$'000	30-Jun-21 \$'000
Vehicle Parts (WA) Pty Ltd	182	239
Mazda Parts	268	326
Share of net profit from equity accounted associates	450	565

13 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

14 Subsequent events

Acquisition of ACT Dealership Group

The acquisition of the Australian Capital Territory ("ACT") dealership group, currently part of the WFM Group (a related party of the Company), was successfully approved at the Extraordinary General Meeting held on 15 July 2022. The acquisition, with an estimated purchase price of \$193 million, consists of a portfolio of 10 dealerships and associated properties in the ACT.

The total estimated purchase price of \$193 million represents the following factors:

- Goodwill of \$75 million;
- Net assets estimated at \$8 million; and
- Property purchase of \$110 million.

The acquisition is set to be 100% funded through the Company's cash reserves and considerable available facilities, with both Syndicate and Captive financing partners.

The dealership group to be acquired has maintainable earnings of approximately \$15 million, and annualised turnover of \$450 million.

The acquisition is scheduled for completion on 31 August 2022.

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that Eagers Automotive Limited will be able to pay its debts as and when they become due and payable.
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



T B Crommelin
Director

Brisbane
25 August 2022

Independent Auditor's Review Report to the Members of Eagers Automotive Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of Eagers Automotive Limited (the "Company") which comprises the condensed consolidated statement of financial position as at 30 June 2022, and the condensed consolidated statement of profit and loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on page 22.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors Responsibilities for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

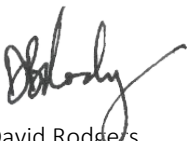
Auditor's Responsibilities for the Review of the Interim Financial Report


Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matters that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu
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David Rodgers
Partner
Chartered Accountants
Brisbane, 25 August 2022


Nathan Furness
Partner
Chartered Accountants
Brisbane, 25 August 2022